

CRIMESTOPPERS, INC.
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/11/07

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crimestoppers, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of **Crimestoppers, Inc.** (a non-profit corporation) as of December 31, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the **Crimestoppers, Inc.**'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Crimestoppers, Inc.** as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Crimestoppers, Inc.
New Orleans, Louisiana
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In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2007 on our consideration of **Crimestoppers, Inc's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the report (shown on page 11) is presented for the purpose of additional analysis and is not a required part of the financial statements of **Crimestoppers, Inc.** Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2007



CRIMESTOPPERS, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2006

ASSETS

Cash and cash equivalents (NOTE 2)	\$490,581
Certificates of Deposit	789,499
Grant receivable	-0-
Court fee receivable	25,209
Furniture and equipment, net of accumulated depreciation of \$12,407 (NOTES 2 AND 3)	<u>4,299</u>
 Total assets	 <u>\$1,309,588</u>

LIABILITIES AND NET ASSETS

Liabilities

Payroll taxes and related fringe benefits payable	\$ <u>1,408</u>
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Total liabilities	<u>1,408</u>
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Net Assets (NOTE 2)

Unrestricted:

Unrestricted	210,115
Unrestricted-designated	<u>201,770</u>

Sub-total - unrestricted	411,885
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Temporarily restricted	<u>896,295</u>
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Total net assets	<u>1,308,180</u>
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Total liabilities and net assets	<u>\$1,309,588</u>
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The accompanying notes are an integral part of these financial statements.

CRIMESTOPPERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Contributions	\$ 10,528	\$ 48,844	\$ 59,372
Special events' revenue (less related costs of \$18,370)	109,663	-0-	109,663
Court fees (NOTE 8)	131,735	201,174	332,909
Grants	64,589	-0-	64,589
Interest	12,425	28,957	41,382
Net assets released from restrictions	<u>18,000</u>	<u>(18,000)</u>	<u>-0-</u>
Total support and revenues	<u>346,940</u>	<u>260,975</u>	<u>607,915</u>
Expenses			
Program services	165,924	-0-	165,924
Support services	<u>93,374</u>	<u>-0-</u>	<u>93,374</u>
Total expenses	<u>259,298</u>	<u>-0-</u>	<u>259,298</u>
Change in net assets	87,642	260,975	348,617
Net Assets:			
Beginning of year	<u>324,243</u>	<u>635,320</u>	<u>959,563</u>
End of year	<u>\$411,885</u>	<u>\$896,295</u>	<u>\$1,308,180</u>

The accompanying notes are an integral part of the financial statements.

CRIMESTOPPERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

Cash Flows From Operating Activities

Change in net assets	\$348,617
Adjustments to reconcile decrease in net assets to net cash provided by operations:	
Depreciation	4,749
Grant receivable	1,695
Fixed assets	(1,521)
Court fee receivable	(20,561)
Payroll and related taxes payable	(2,191)
Deferred revenue	<u>(40,000)</u>
Net cash provided by operating activities	<u>290,788</u>

Cash Flows from Investing Activities

Purchase of certificates of deposit	(108,841)
Net cash used in investing activities	<u>(108,841)</u>

Net increase in cash and cash equivalents	181,947
Cash and cash equivalents, beginning of year	<u>308,634</u>
Cash and cash equivalents, end of year	<u>\$ 490,581</u>

The accompanying notes are an integral part of these financial statements.

CRIMESTOPPERS, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The **Crimestoppers, Inc.** program is a cooperative effort among the police, the media and the community. **Crimestoppers, Inc.** is a private, non-profit (501)(c)(3) corporation formed locally in 1982, by small businesses and concerned citizens, to provide a means for the police to get critical information on crime from anonymous sources, and to provide a cash reward incentive for providing the information. The organization serves an eight (8) parish area, including: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptiste and St. Tammany.

NOTE 2 - Summary of Significant Accounting Policies:

Financial Statement Presentation

Crimestoppers, Inc. has adopted the financial reporting standards requirements as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organization". Accordingly, the net assets of **Crimestoppers, Inc.** are classified as both unrestricted and temporarily restricted.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of **Crimestoppers, Inc.** and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CRIMESTOPPERS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Permanently Restricted Net Assets

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily net assets until utilized for donor-imposed restrictions.

At December 31, 2006, **Crimestoppers, Inc.** did not have any permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash Equivalents

For purposes of the statement of cash flows, **Crimestoppers, Inc.** considers all investments purchased with a maturity of three months or less to be cash equivalents.

Economic Dependency

The primary sources of revenue for **Crimestoppers, Inc.** are private contributions, court fees and fundraising activities. The continued success of **Crimestoppers, Inc.** is dependent upon the continued receipt of private contributions, court fees and monies from fundraising activities.

CRIMESTOPPERS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Revenue Recognition

Crimestoppers, Inc. recognizes all contributed support as income in the period received. **Crimestoppers, Inc.** recognizes all grants and court fees as revenue when earned. Contributed support is reported as unrestricted or temporarily restricted depending on the existence of donors stipulations that limit the use of the support.

Furniture and Equipment

Furniture and equipment are recorded at cost (or fair market value for donated assets) and depreciated using the straight-line method over the estimated useful lives of the related assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Values of Financial Institutions

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

CRIMESTOPPERS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Furniture and Equipment:

Furniture and equipment consist of the following:

Furniture	\$ 563
Equipment	<u>16,143</u>
Total	16,706
Less: accumulated depreciation	<u>(12,407)</u>
Furniture and equipment net of accumulated depreciation	<u>\$ 4,299</u>

Depreciation expense for the year ended December 31, 2006 totaled \$4,749.

NOTE 4 - Net Assets Released from Restrictions:

Temporarily restricted net assets represents donations made to the reward funds of individual unsolved cases and court fees. The donations are restricted for a period of two years. After the two year period has elapsed, the Board has designated these funds primarily for reward payments. The court fees are released when restrictions are satisfied.

NOTE 5 - Income Taxes:

Crimestoppers, Inc. is a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements.

CRIMESTOPPERS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Concentrations of Credit Risk:

Financial instruments that potential subject **Crimestoppers, Inc.** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeded federally insured limit totaling \$303,513 as of December 31, 2006.

NOTE 7 - In-Kind Donations:

The Jefferson Parish Sheriff's office provides office space, meeting space, utilities, and telephone at no cost to **Crimestoppers, Inc.**

The value of these benefits have not been recorded in the financial statements since the related amounts have not been determined.

NOTE 8 - Court Fees:

Pursuant to Act 50 House Bill No. 33, when a criminal defendant of any criminal offense or any traffic offense in any court, and a crimestoppers organization exist within the territorial jurisdiction of the court, the court shall assess a \$2.00 fee for each offense for which the defendant is convicted, and shall be in addition to all other fines, penalties, and fees imposed by the court. The court shall not suspend the payment of this fee. The fees collected will be transferred to **Crimestoppers, Inc.** at least annually.

For the year ended December 31, 2006, **Crimestoppers, Inc.** earned \$332,909 from the Act 50 House Bill No. 33.

SUPPLEMENTAL INFORMATION

CRIMESTOPPERS, INC.
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

	PROGRAM SERVICES					SUPPORT SERVICES				
	Court Fund	Supplemental Contri. Contracts	Governor Safe School Program	Jefferson Parish Work Grant Program	Total Program Services	Court Fund	Governor Safe School Programs	Other General & Admin.	Total Support Services	Total
EXPENSES										
Reward payments	\$ 54,420	\$ 5,000	\$ -0-	\$ -0-	\$ 59,420	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 59,420
Salaries	-0-	-0-	24,195	13,844	38,039	-0-	-0-	51,007	51,007	89,046
Payroll taxes & employee benefits	-0-	-0-	3,887	800	4,687	-0-	-0-	10,696	10,696	15,383
Advertising and marketing	63,778	-0-	-0-	-0-	63,778	-0-	-0-	601	601	64,379
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,749	4,749	4,749
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,579	3,579	3,579
Miscellaneous	-0-	-0-	-0-	-0-	-0-	1,434	-0-	160	1,594	1,594
Office supplies	-0-	-0-	-0-	-0-	-0-	1,979	-0-	1,937	3,916	3,916
Postage	-0-	-0-	-0-	-0-	-0-	-0-	1,009	758	1,767	1,767
Meetings	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,044	1,044	1,044
Telephone	-0-	-0-	-0-	-0-	-0-	8,118	-0-	1,092	9,210	9,210
Printing	-0-	-0-	-0-	-0-	-0-	1,965	-0-	669	2,634	2,634
Computer expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	124	124	124
Travel	-0-	-0-	-0-	-0-	-0-	-0-	846	1,139	1,985	1,985
Bank charges	-0-	-0-	-0-	-0-	-0-	40	-0-	323	363	363
Memberships	-0-	-0-	-0-	-0-	-0-	-0-	-0-	105	105	105
Total Expenses	\$ 118,198	\$ 5,000	\$ 28,082	\$ 14,644	\$ 165,924	\$ 13,536	\$ 1,855	\$ 77,983	\$ 93,374	\$ 259,298

See the Independent Auditors' Report on Supplemental Information.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Crimestoppers, Inc.
New Orleans, Louisiana

We have audited the financial statements of **Crimestoppers, Inc.** as of and for the year ended December 31, 2006 and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Crimestoppers, Inc.**, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Crimestoppers, Inc.** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Crimestoppers, Inc.**'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Crimestoppers, Inc.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Board of Directors, others within **Crimestoppers, Inc.**, and the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2007

CRIMESTOPPERS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULT
FOR THE YEAR ENDED DECEMBER 31, 2006

We have audited the financial statements of **Crimestoppers, Inc.** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses - No

Reportable Conditions - No

Compliance

Compliance Material to Financial Statements - No

b. Federal Awards

Not Applicable

c. Identification of Major Programs

Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with
Government Auditing Standards

No matters reported.

Section III - Findings and Questioned Costs Related to Federal Awards

Not Applicable.